



BILLING CODE 3510-DR-P

## U.S. DEPARTMENT OF COMMERCE

International Trade Administration

Joint Department of Commerce and Department of Energy: Smart Cities-Smart Growth Business Development Mission to China- April 12-17, 2015

**AGENCY:** International Trade Administration, Commerce.

**ACTION:** Notice.

### MISSION DESCRIPTION

The United States Secretaries of Commerce Penny Pritzker and Energy Ernest Moniz will lead a Smart Cities - Smart Growth Business Development Mission to China from April 12-17, 2015.

This mission was announced during President Obama's visit to China in November 2014. It will promote U.S. exports to China by supporting U.S. companies in launching or increasing their business in the marketplace for Smart Cities - Smart Growth products and services, such as green buildings, building energy retrofitting, building management, green data centers, carbon capture, utilization, and storage (CCUS), energy efficiency technologies, clean air and clean water technologies, waste treatment technologies, smart grid and green transportation. Key elements will include business-to-government and business-to-business meetings, market briefings, and networking events.

On November 12, President Obama and President Xi jointly announced the two countries' respective post-2020 climate targets in Beijing. This announcement is a pivotal step in addressing the global challenge of climate change and movement towards achieving the deep decarbonization of the global economy. This announcement should encourage other major

economies to put forward ambitious commitments soon and should urge countries to work across traditional divides so that a strong global climate agreement can be concluded at the United Nations Climate Change Conference in Paris in late 2015. The announcement is the culmination of a major effort by the two countries, inspired by serious shared concern about the global effects of climate change and our commitment to leadership as the world's largest economies, energy consumers, and carbon emitters.

This mission will build on strong climate change progress during the first six years of the Obama Administration, and supports the intent of the announcement, as it will help to achieve the ambitious climate goals of the announcement. It is one of several measures that will strengthen and expand U.S.-China clean energy cooperation, and support the deployment of cutting edge, innovative technologies to combat and adapt to climate change. Additionally, the recent announcements from President Obama and President Xi will spur new opportunities for U.S. clean technology companies in China.

The delegation will be composed of senior executives (equivalent to C-suite) from 20-25 U.S. firms, representing the mission's target sectors. This collaborative interagency approach highlights the shared interest among U.S. Government agencies in promoting China as a critical overseas market for U.S. business interests, and reflects the "All of Government" approach to President Obama's National Export Initiative.

## **COMMERCIAL SETTING**

## **Overview of China**

In November 2013, following the Third Plenum of the 18th Chinese Communist Party Congress, President Xi Jinping rolled out an ambitious agenda to re-shape the Chinese economy and fully embrace the market as the “decisive force” in shaping the country’s economic future. In order to continue China’s labor force evolution to fuel its unprecedented growth, Xi directed his administration to implement policy changes that increase domestic consumption, stimulate domestic innovation, and develop a world-class services sector, supporting the expansion of China’s middle class and movement of millions of rural Chinese citizens to urban centers.

U.S. goods exports in 2013 to China were \$121.7 billion, up 10.2 percent from the previous year. Corresponding U.S. imports from China were \$440.4 billion, up 3.5 percent. The U.S. goods trade deficit with China was \$318.7 billion in 2013, up \$3.6 billion from 2012. China is currently the third largest export market for U.S. goods.

U.S. exports of private commercial services to China were \$37.4 billion in 2013, and U.S. imports were \$14.3 billion. Sales of services in China by majority U.S.-owned affiliates were \$36.5 billion in 2012 (latest data available), while sales of services in the United States by majority China-owned firms were \$1.7 billion.

Urbanization is one of Premier Li Keqiang’s top priorities; it is a mechanism for modernization, a potential engine of future economic growth, and a way to avoid the “middle income trap.”

Premier Li estimated in a major speech on urbanization that another 300 million Chinese citizens will move to cities over the next 12 years. New cities that are clean, resource efficient and well planned will avoid many millions of tons of greenhouse gas emissions (GHG) emissions.

Globally, residential and commercial buildings account for approximately one-quarter of GHG emissions (including electricity consumption). Given China's tremendous need to build and re-develop cities, this area of focus is of great interest to the Chinese government. China's Minister of Science and Technology, Wan Gang has raised "smart infrastructure for urbanization" as a top priority for U.S.-China cooperation at nearly every recent opportunity including at the July 2014 Innovation Dialogue, at the U.S.-China Strategic and Economic Dialogue (S&ED) and during his visit to Washington, D.C. in September 2014.

In 2010, China identified five Chinese provinces, including Guangdong Province, and seven Chinese cities to serve as low-carbon pilot programs. Each territory was required to set a GHG reduction target, create a local cap-and-trade program, pursue low-carbon development, and serve as a model for other cities. Sub-national authorities experimented with climate mitigation policies to determine which ones would work best in the Chinese context. The National Development and Reform Commission (NDRC) announced an additional 29 provinces and cities in 2012. China's New Energy City platform involves 100 cities in China that will work toward achieving aggressive renewable energy targets.

Moreover, during the recent Asia Pacific Economic Cooperation (APEC) Leaders' meeting hosted by China in Beijing, Leaders called for the promotion of inclusive and sustainable development, and for cooperation projects that explore new ways of urbanization that are green, low-carbon and people-oriented. In the July 2014 Report of the U.S.-China Climate Change Working Group, the United States and China agreed to "explore appropriate cooperative efforts sub-nationally among our states, provinces, and cities on climate-related policies and programs" as a potential area of future cooperation.

## **Overview of Construction and Green Building (design, smart urbanization, better cities)**

From 2011 to 2013, the construction market in China grew exponentially, and more modestly in 2014. Demand for construction of energy efficient buildings will increase as China continues to rapidly urbanize. On March 16, 2014, the Chinese government issued the National New-type Urbanization Plan for 2014 to 2020, which aims to lift the proportion of Chinese citizens living in cities from the present 53.7 percent to 60 percent by 2020.

With the urbanization of China expected to continue to grow, green buildings will be relied on to fulfill the demand for new energy efficient buildings. New construction of urban green buildings is expected to rise from 2 percent in 2012 to 50 percent by 2020. From 2010 to 2030, China is expected to increase floor space growth in a range of 15 to 23 billion square meters.

The State Council Green Building Action Plan of 2014 has reaffirmed the importance of the Ministry of Housing and Urban-Rural Development's (MOHURD) green building standards under China's 3-Star Rating System. The Action Plan requires all government-invested projects such as schools, hospitals, museums, science museums, stadiums and affordable housing, as well as any single building area over 20,000 square meters such as airports, railway stations, hotels, restaurants, shopping malls, offices and other large public buildings to meet the MOHURD standards.

The U.S. Government has collaborated with Chinese Ministries to prime municipal markets for U.S. cleantech goods and services. Under the U.S.-China Eco-cities collaboration, the U.S.

Department of Energy (DOE) works with seven Chinese cities on planning, best practices and energy efficiency technology deployment. DOE and the China Academy of Building Research helped introduce the first-ever rural building energy code in China, and are exploring new opportunities on efficiency standards. These and similar programs have enabled stronger deal-making connections between U.S. companies and local decision-makers in China, while maintaining supportive relationships with China's central government. These programs have resulted in commercial successes, and clear emissions and energy intensity reductions.

### **Overview of Energy Efficiency (smart grid, green data centers, certain engineering services)**

China is the world's largest market for power transmission and distribution, and is the world's leading consumer of smart grid technologies. China is currently constructing a series of ultra-high voltage (UHV) grid and urban-rural distribution grids. This includes the construction of smart grid operation and control systems and the installation of tens of millions of smart meters across the country. China now has nearly 250 million meters installed and is expected to continue to build out and update its metering system through 2017. The total of these investments is expected to grow to nearly \$20 billion annually through the end of the decade.

### **Smart Grid**

As part of the Government's efforts to reduce the carbon intensity of its economy, combined with the massive increase in the use of renewable energy, the country will require significant smart-grid technologies to support these endeavors. As such, there are significant opportunities for smart meters, battery storage, communication devices, integrated solutions, and engineering services.

The USG is already cooperating with China in the Smart Grid space through several U.S. Trade and Development Agency programs, as well as through the U.S.-China Climate Change Working Group, the U.S.-China Renewable Energy Partnership (USCREP) and others. These programs can complement the aspect of the mission to further pull the private sector into these initiatives.

### **Smart Cities**

The Smart City represents a new mode of urban development and is a system composed of multiple systems. The key goal is low-carbon urbanization. By leveraging expertise in infrastructure with collaborative business models, companies deliver complete solutions that can help make cities more efficient, livable and sustainable by focusing on five key areas: 1) energy, 2) transportation, 3) buildings & homes, 4) water, and 5) public services. Smart Cities may implement new energy-efficient technology in any of these key areas: electric vehicle charging stations are just one example of a greener Smart City. Today, technology is revolutionizing how businesses, consumers and governments decrease their carbon footprint worldwide while increasing productivity through smart homes, smart buildings, smart transportation and smart grids. Globally, smart technologies have the potential to reduce carbon dioxide (CO<sub>2</sub>) by as much as 15 percent.

DOE is collaborating with 13 Chinese cities to both reach low-carbon urbanization goals and increase U.S. clean energy technology exports to China. These collaborations focus on the policy development that primes Chinese municipal markets for U.S. technologies. Specifically, DOE provides technical assistance with the development of China's urban sustainability plans and

deployment of demonstration projects, which include U.S. companies and products and provide data back that strengthen U.S. modeling capabilities.

### **Green Data Centers**

China is in the midst of an unprecedented data center construction surge that will provide the country with one of the most advanced computing infrastructures in the world. The government has made expanding the national computing infrastructure a part of its latest five-year plan. The Chinese are building numerous large data centers to support the needs of the nation's fast-growing population of Internet users, estimated at around 500 million. New data centers also will help meet the escalating demand for services such as e-commerce, online banking and e-government. The Chinese approach to data centers is to build more and build big. The data center expansion will also provide computing infrastructure for foreign firms looking to expand in China.

Data center site selection is a resource issue. The majority of the data centers in China are located in the cities of Beijing, Shanghai, and Guangzhou, where real estate prices and electricity costs continue to escalate. As a result, the government is now encouraging companies to build data centers in the western Chinese provinces of Xinjiang, Gansu, Qinghai, and Shanxi, where real estate is more affordable and electricity is abundant.

China is in the process of drafting national energy efficiency standards for computer servers used in data centers, under the guidance of the Standardization Administration of China (SAC) and the Ministry of Industry and Information Technology (MIIT). The United States and China are also discussing a green data center pilot project and study to demonstrate energy efficiency



technologies and provide recommendations for MIIT on energy efficiency standards for data centers.

### **Overview of Carbon Capture, Utilization, and Storage**

China is the world's largest energy consumer and the leading emitter of greenhouse gases. In 2013, coal accounted for 65 percent of China's overall (i.e., primary) energy consumption. It is the most coal-dependent country among top energy consumers. China's major cities have long endured high levels of air pollution from coal use in the power, industrial, and residential sectors along with emissions from the transport sector. In 2013, 92 percent of Chinese cities failed to meet national ambient air quality standards. While this has not held back construction of new coal-fired plants or factories, many old, inefficient, polluting facilities have been closed. Also, China has an aggressive effort to replace old coal facilities with cleaner, more efficient facilities in both the power and industrial sectors. Coal burning is responsible for a significant share of the of the country's PM<sub>2.5</sub> (particulate matter less than 2.5 micrometers in diameter) pollution.

China considers CCUS technology an important part of its clean coal technology option in both short and long terms. The International Energy Agency (IEA) forecasts that by 2050, CCUS could become the biggest contributor to CO<sub>2</sub> emissions reduction technology among single technologies. China is emerging as a major influence on CCUS deployment, with several operational and planned demonstration projects. The country has adopted an encouraging policy framework and has increased the support for research and development (R&D) projects. As a pioneer within CCUS, the United States has developed cutting-edge technology through various R&D and demonstration projects. DOE administers a Clean Coal and Carbon Management Program to encourage and support public/private partnerships to research, develop, and demonstrate clean coal technologies, in particular, CCUS, to accelerate large-scale commercial

deployment.

The United States and China – through a variety of bilateral and multilateral platforms, including the U.S.-China Fossil Energy Protocol, the U.S.-China Clean Energy Research Center (CERC), the U.S.-China Climate Change Working Group (CCWG), the Carbon Sequestration Leadership Forum (CSLF), and the APEC – are working together to promote the deployment of CCUS.

Under the CCWG/CCUS Initiative, the United States and China are working together to accelerate the adoption of CCUS in both countries through joint efforts on large, integrated CCUS demonstration projects within the next three years. Both sides are exchanging key technical and economic assessments and information on demonstrations, along with their results. This is being achieved in large part through joint counter-facing CCUS demonstration projects in both countries, focusing on CO<sub>2</sub> use in enhanced oil recovery (EOR) and other beneficial uses of CO<sub>2</sub> initially, as well as CO<sub>2</sub> storage in saline formations, wherever possible. These identified projects are essential to proving technological and commercial viability of CCUS, thereby accelerating the creation of markets and widespread deployment. Guangdong Province has been identified as a key target for potential collaboration on a saline storage demonstration project with U.S. company participation. There are also opportunities for Chinese direct investment in U.S. CCUS projects.

### **Advanced Coal Gasification Technology with CCUS**

Integrated gasification combined cycle (IGCC) power generation is a new technology, which has reached commercial status. Two plants, supported in DOE's Clean Coal Technology Program, were built in the 1990's. A new IGCC plant, based on Southern Company's and KBR's Transport Reactor Integrated Gasification (TRIG<sup>TM</sup>) technology for low-rank coals is expected to be operational in 2016. Today's IGCC technology emits equal or more CO<sub>2</sub> than many

supercritical and ultra-supercritical (USC) power plants on a ton of CO<sub>2</sub> emitted per net kilowatt (kW) basis. However, IGCC provides an opportunity to remove CO<sub>2</sub> prior to combustion (i.e., pre-combustion) and to coproduce valuable chemical and liquid transportation fuels. New technology and equipment (i.e., CCUS) to these two problems are good prospects for U.S. companies. Combining coal gasification with carbon capture and storage in the power sector is a critical pathway for both countries towards low-carbon power generation. China has high interest in developing and demonstration new coal co-production systems with CO<sub>2</sub> capture. The United States is leading the world in such technology demonstrations, and has much to offer China.

### **Carbon Storage**

China has significant interest in EOR technology to increase domestic oil production. However, it lacks EOR technology and know-how to deploy CCS in EOR applications, which is generally viewed as the market entry for CCS as it produces a high-value product – crude oil. The United States developed EOR technology over the past 40 years based on extracting, transporting, and injecting CO<sub>2</sub> from natural reservoirs and separation during natural gas production. China also has expressed interest, including cooperation under the CCWG/CCUS Initiative, on long-term storage of CO<sub>2</sub> in saline formations, which also offers an opportunity to produce potable water through enhanced-water recovery (EWR) via reverse osmosis by taking advantage of the pressure from CO<sub>2</sub> injection. These are areas where U.S. companies are leading the world, and have much to offer China.

### **Overview of Environmental Technologies (Cement Plant Air Pollution Reduction, Power Plant Emissions Reduction, Groundwater Monitoring, Pollution Prevention, and**

## **Remediation, Municipal Water and Wastewater Treatment and Plant Development, Process and Produced Water, Water Efficiency and Reuse, Sludge Treatment)**

In 2012, China's environmental technologies market was estimated to be worth \$27 billion, and is expected to grow exponentially in the coming years, eclipsing the \$275 billion U.S. market and becoming the largest global consumer of environmental technologies by 2025. As a global leader in producing and implementing environmental technologies, the U.S. environmental technologies industry is poised to grow dramatically if the United States can successfully position itself as China's primary provider of these technologies and associated services.

U.S. companies also are well positioned to take advantage of immediate opportunities in air pollution monitoring and control; water and wastewater treatment and protection; and waste management.

## **Cement Plant Air Pollution Reduction**

China's rapid economic development has immensely increased cement demand for infrastructure, industrial, commercial, and residential building projects. Limiting the environmental impact of cement production by instituting "green cement" technologies has become a priority of the Chinese government. The size of the global cement industry is expected to double by 2030 with most of this increase taking place in China. It is estimated that the Chinese cement industry completed \$7.2 billion worth of fixed asset investments in 2007 alone, prompted by factors that include high energy costs and emission reduction mandates.

## **Power Plant Emissions Reduction**

The Chinese power generation sector is heavily reliant on coal. Coal-fired power plants generated about 70 percent of China's electricity in 2011 although coal's share of power generation has been trending downward in recent years.. Coal power generation significantly

contributes to air quality issues in the region. To address related environmental and human health concerns, the Chinese government initiated the development of air pollution control regulations. The Chinese Government also participated in negotiations of the Minamata Convention on Mercury, a global legally binding instrument to reduce mercury use and emissions. The text of the Minamata Convention was adopted by over 150 countries, including China, in January 2013. Given that coal-fired power plants represent a major source of airborne mercury (and other toxins), the implementation of this instrument will further foster Chinese interest in air pollution control emission control technologies – a technology area where the United States leads the world in commercial deployment.

### **Groundwater Monitoring, Pollution Prevention, and Remediation**

Much of China's groundwater resources have been degraded by pollution limiting their use as a reliable source for drinking water. The Ministry of Land Resources reports that 57 percent of ground water ranks 'bad' or 'very bad' in quality estimates. The National Groundwater Contamination Prevention and Remediation Plan calls for a \$5.6-billion investment through 2020. Ground water protection efforts are focused on monitoring, source control, and remediation. The 12<sup>th</sup> Five-Year Plan delineates the study of pollution assessment, monitoring, and simulation in order to establish a national monitoring system and quality standards. Source control research focuses on hazardous waste storage, landfill contamination, oil and gas extraction, mining, agriculture, and underground piping and disposal systems to establish control techniques and rules. China seeks to address contaminated groundwater by conducting a groundwater pollution remediation pilot study that will inform national approaches to groundwater remediation and lead to subsequent large-scale remediation projects. U.S. Superfund experience in groundwater remediation creates a competitive advantage for U.S. companies.

## **Municipal Water and Wastewater Treatment and Plant Development**

Aggressive construction of water treatment plants continues as China works to improve water quality and enhance access to drinking water and sanitation services. The China Greentech Initiative (CGTI) reports that 40 billion cubic meters of urban water supply capability will be added by 2015. Furthermore, the South-to-North Water Diversion Project mandates the construction of 426 wastewater treatment plants along the eastern route to treat heavily polluted surface waters. Tightening of national regulations will provide retrofit opportunities for existing plants.

## **Process and Produced Water**

New effluent standards and better enforcement thereof are driving growth in produced water treatment, while continued industrial expansion and water reuse targets promote the process water market. Investments in improved effluent management are expected to reach \$20 billion by 2015. The State 12<sup>th</sup> Five-Year Plan targets nine sectors for improved produced water treatment: paper and pulp, raw chemicals, petroleum refining, textiles, dyeing, pharmaceuticals, ferrous metals processing, food processing, and power generation. The China Greentech Initiative has developed a list of top tier client industries using government prioritization, pollution reduction targets, discharge volumes, and treatment profitability measures. They include pharmaceuticals, beverages, paper and pulp, raw chemicals, textiles, agricultural food processing, and coal mining and washing. Second tier industries include ferrous metal processing, petroleum refining, tobacco, food manufacturing, and chemical fibers.

## **Water Efficiency and Reuse**

China's scarce fresh water resources have made water efficiency and reuse a national priority designed to limit further economic disruptions due to water shortages. These priorities will be a

boon to membrane, non-revenue water management, and industrial water efficiency technologies. It is estimated that water reuse will lead to 30 percent annual growth over the next five years in the membrane technology market.

### **Sludge Treatment**

China discharges approximately 22-30 million tons of untreated sludge annually, a growing and persistent environmental challenge. Recent government action has led to the development of technology standards for sludge treatment, a requirement that municipalities install sludge treatment systems, and a central government capital development investment of \$9.7 billion for sludge treatment facilities. Nonetheless, lack of domestic operational expertise and technology for sludge treatment remains a challenge for China that could provide sludge treatment opportunities for U.S. firms. In February 2011, the NDRC and Ministry of Housing and Urban-Rural Development (MOHURD) issued plans for developing sludge treatment demonstration projects using advanced technologies. U.S. involvement in those demonstrations could enhance down-stream export opportunities. The municipalities of Beijing, Guangdong, Hebei, and Hubei are top prospects, having set 100 percent treatment targets by 2015.

### **Other Products and Services**

The foregoing analysis of the opportunities in China is not exhaustive, but illustrative of the many opportunities available to U.S. businesses. Applications from companies selling products or services within the scope of this mission, but not specifically identified, will be considered and evaluated by the U.S. Department of Commerce and the U.S. Department of Energy.

Companies whose products or services do not fit the scope of the mission may contact their local U.S. Export Assistance Center (USEAC) to learn about other business development missions and

services that may provide more targeted export opportunities. Companies may call 1-800-872-8723, or go to <http://help.export.gov/> to obtain such information.

## **MISSION GOALS**

This mission will reaffirm the U.S. commitment to sustained economic partnerships in China.

The mission's purpose is to support the business development goals of U.S. firms as they construct a firm foundation for future business in China and specifically aims to:

- Assist in identifying potential partners and strategies for U.S. companies in the target sectors.
- Confirm U.S. Government support for the activities of U.S. businesses in China and to provide access to senior decision makers in the Chinese government.
- Confirm U.S. government support for existing government-to-government and government-to-business collaborations on lowcarbon urbanization work.
- Promote more widespread application and deployment of CCUS in China.
- Listen to the needs, suggestions and experience of individual participants to help shape appropriate U.S. Government positions regarding U.S. business interests in the region.
- Organize private and focused events with local business and association leaders capable of becoming partners and clients of U.S. firms as they develop their business in China.
- Assist development of competitive strategies and market access with high level information gathering from private and public-sector leaders.

## **MISSION SCENARIO**



The mission will stop in Beijing, Shanghai, and Guangzhou with an optional stop in Hong Kong. In Beijing, the capital of China, the schedule will primarily consist of scene setting briefings, and engagements with Chinese officials. In Shanghai and Guangzhou, participants will meet with pre-screened potential agents, distributors, and representatives, as well as other business partners and government officials. The participants will also attend market briefings by U.S. Embassy officials and other industry experts, as well as networking events offering further opportunities to speak with local business and industry decision-makers.

After the conclusion of the mission, delegation members will also have the opportunity to sign-up for an optional add-on stop in Hong Kong. During this optional stop, participants will meet with pre-screened potential agents, distributors, and representatives, as well as other business partners and government officials through the Department of Commerce Gold Key program. The optional stop in Hong Kong will not include Secretary Pritzker or Moniz.

## **PROPOSED TIME TABLE**

Sunday, April 12 and Monday, April 13	Beijing	Business Development Mission Orientation  Welcome Dinner  Industry Briefings / Roundtable Discussions  Government Meetings  Individual Company Business Appointments  Networking Dinner or Reception
Tuesday, April 14 and	Shanghai	Industry Briefings / Roundtable Discussions  Government Meetings

Wednesday, April 15		Individual Company Business Appointments Networking Dinner or Reception
Thursday, April 16 and Friday, April 17	Guangzhou	Government Meetings Individual Company Business Appointments Networking Dinner or Reception Wrap-up Session Closing Dinner

#### **Optional Add-on Stop for Mission Participants**

Monday, April 20	Hong Kong	Market Briefing by U.S. Embassy Officials Individual Company Business Appointments
------------------	-----------	---

#### **PARTICIPATION REQUIREMENTS**

All companies interested in participating in the Secretarial Business Development Mission to China must complete and submit an application package for consideration by the Department of Commerce and Department of Energy. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. Approximately 20-25 companies will be selected to participate in the mission from the applicant pool. U.S. companies doing business in China, as well as U.S. companies seeking to enter the market for the first time may apply.

#### **Fees and Expenses:**

After a company has been selected to participate on the mission, a payment to the Department of Commerce in the form of a participation fee is required. The fee schedule for the mission is below:

Beijing, Shanghai and Guangzhou

- \$12,500 for large firms
- \$10,000 for a small or medium-sized enterprises (SMEs)<sup>1</sup>
- \$3,500 additional firm representative (large firm or SME – limit one additional representative per company)

Optional Add-on Stop in Hong Kong (Fee for Gold Key Service per day)

- \$2,300 for large firms
- \$700 for a small or medium-sized enterprises (SMEs)

Participants selected for the trade mission will be expected to pay for the cost of all personal expenses, including, but not limited to, air travel, lodging, meals, communication, incidentals, unless otherwise noted. In the event that the mission is cancelled, no personal expenses paid in anticipation of a trade mission will be reimbursed. However, participation fees for a cancelled trade mission will be reimbursed to the extent they have not already been expended in anticipation of the mission.

---

<sup>1</sup> An SME is defined as a firm with 500 or fewer employees or that otherwise qualifies as a small business under SBA regulations. Parent companies, affiliates, and subsidiaries will be considered when determining business size. The dual pricing reflects the Commercial Service's user fee schedule that became effective May 1, 2008.

Business or entry visas may be required. Government fees and processing expenses to obtain such visas are not included in the participation fee. However, the U.S. Department of Commerce will provide instructions to each participant on the procedures required to obtain necessary business visas.

**Conditions of Participation:**

An applicant must sign and submit a completed application and supplemental application materials, including adequate information on the company's products and/or services, primary market objectives, and goals for participation. If an incomplete application form is submitted or the information and material submitted does not demonstrate how the applicant satisfies the participation criteria, the Department of Commerce or the Department of Energy may reject the application, request additional information, or take the lack of information into account when evaluating the application.

Each applicant must also:

- Identify whether the products and services it seeks to export through the mission are either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least 51 percent U.S. content. In cases where the U.S. content does not exceed 50 percent, especially where the applicant intends to pursue investment in major project opportunities, the following factors, may be considered in determining whether the applicant's participation in the Business Development Mission is in the U.S. national interest:
  - U.S. materials and equipment content;
  - U.S. labor content;

- Contribution to the U.S. technology base, including conduct of research and development in the United States;
- Repatriation of profits to the U.S. economy;
- Potential for follow-on business that would benefit the U.S. economy;
- Certify that the export of the products and services that it wishes to export through the mission would be in compliance with U.S. export controls and regulations;
- Certify that it has identified to the Department of Commerce any business matter pending before any bureau or office in the Departments of Commerce or Energy;
- Certify that it has identified any pending litigation (including any administrative proceedings) to which it is a party that involves the Departments of Commerce or Energy; and
- Certify that it and its affiliates (1) have not and will not engage in the bribery of foreign officials in connection with a company's/participant's involvement in this mission, and (2) maintain and enforce a policy that prohibits the bribery of foreign officials.

**Selection Criteria for Participation:** Selection will be based on the following criteria, listed in decreasing order of importance:

- Suitability of the company's products or services to the Chinese Market in the targeted industry sectors and the likelihood of a participating company's increased exports or business interests in China as a result of this mission;
- Potential of the company's product or service to significantly impact the energy, water, waste, emissions, and/or pollution in Chinese cities.
- Consistency of the company's products or services with the scope and desired outcome of the mission's goals;

- Rank/seniority of the designated company representative;
- Current or pending major project participation; and
- Demonstrated export experience to China and/or other foreign markets.

The balance of entities participating in the mission with respect to type, size, location, sector or subsector may also be considered during the review process.

Referrals from political organizations and any information, including on the application, containing references to political contributions or other partisan political activities will be excluded from the application and will not be considered during the selection process. The sender will be notified of these exclusions.

## **TIMEFRAME FOR RECRUITMENT AND APPLICATIONS**

Mission recruitment will be conducted in an open and public manner, including publication in the Federal Register (<http://www.gpoaccess.gov/fr>), posting on ITA's business development mission calendar (<http://export.gov/trademissions>) and other Internet web sites, press releases to general and trade media, direct mail, broadcast fax, notices by industry trade associations and other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows.

Recruitment will begin immediately and conclude no later than January 23, 2015. Applications can be completed on-line and are available on the China Smart Cities/Smart Growth Mission website at <http://www.export.gov/ChinaMission2015> or can be obtained by contacting the U.S.

Department of Commerce Office of Business Liaison (202-482-1360 or [BusinessLiaison@doc.gov](mailto:BusinessLiaison@doc.gov)).

The application deadline is Friday, January 23, 2015. Completed applications should be submitted to the Office of Business Liaison. Applications received after the January 23<sup>rd</sup> deadline, will be considered only if space and scheduling constraints permit. The Department of Commerce will evaluate all applications and inform applicants of selection decisions by February 6, 2015.

#### **HOW TO APPLY:**

Applications can be downloaded from the business development mission website (<http://www.export.gov/ChinaMission2015>) or can be obtained by contacting the Office of Business Liaison (see below).

#### **CONTACTS:**

General Information and Applications:

The Office of Business Liaison

1401 Constitution Avenue NW, Room 5062

Washington, DC 20230

Tel: 202-482-1360

Fax: 202-482-4054

E-mail: [BusinessLiaison@doc.gov](mailto:BusinessLiaison@doc.gov)

**Elnora Moye,**  
*Trade Program Assistant.*

[FR Doc. 2014-29015 Filed 12/10/2014 at 8:45 am; Publication Date: 12/11/2014]